CONTRACT BETWEEN THE

DEPARTMENT OF INFORMATION SYSTEMS STATE OF ARKANSAS

AND

NAME OF CONTRACTOR

This Contract, by and between the State of Arkansas, Department of Information Systems, hereinafter referred to as the "State" and <u>NAME OF CONTRACTOR</u>, hereinafter referred to as the "Contractor," is for the provision of Information Technology (IT) Professional Services, as further defined in the "SCOPE OF SERVICES," below.

A. SCOPE OF SERVICES:

- 1. The Contractor is to provide the State with services as set forth in this Scope of Services and the State's Request for Proposal Number DIS-020503 (hereinafter referred to as the "RFP"), issued on February 05, 2003, which is incorporated herein and made a part of this Contract.
- 2. Under the terms of this Contract and at the State's request, the Contractor will provide to the State the services of the following forty-three (43) classifications of personnel (collectively, "personnel").
 - a. Project Manager
 - b. Systems Analyst
 - c. Programmer Analyst (Mainframe)
 - d. Advanced Programmer Analyst (Mainframe)
 - e. Programmer Analyst (Client Server/Micro)
 - f. Advanced Programmer Analyst (Client Server/Micro)
 - g. Web Developer
 - h. Advanced Web Developer
 - i. Object Oriented Developer
 - j. Advanced Object Oriented Developer
 - k. Network Administrator
 - 1. Advanced Network Administrator
 - m. LAN System Programmer
 - n. Advanced LAN System Programmer
 - o. MVS System Programmer
 - p. Advanced MVS System Programmer
 - q. <u>UNIX System Programmer</u>
 - r. Advanced UNIX System Programmer
 - s. Database Administrator
 - t. Data Analyst/Administrator
 - u. Quality Assurance Inspector/Analyst
 - v. Component Librarian
 - w. Change Management Specialist
 - x. <u>Mainframe Operations Specialist</u>
 - y. SAP Senior Project Manager
 - z. ABAP Programmer/Developer
 - aa. Basis Administrator
 - bb. mySAP.com Application Consultant
 - cc. R/3 Application Consultant
 - dd. R/3 Workflow Consultant
 - ee. SAP Technical Consultant
 - ff. SAP Training Specialist
 - gg. SAP Tester
 - hh. BW Query Developer

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- ii. BW Data Modeler/DBA
- jj. SAP BW Consultant
- kk. "OPEN"
- 11. Data Warehouse Business Architect
- mm.Data Warehouse Data Modeler
- nn. Data Warehouse Information Access Engineer
- oo. Data Warehouse Extract Transform and Load Advanced Programmer Analyst
- pp. Quality Manager
- qq. Quality Analyst/Engineer
- 3. The Contractor understands and agrees that the State intends to execute, pursuant to the RFP, contracts with other parties for services the same as, or similar to, those herein described. In the event of inadequate availability or performance of the Contractor's personnel, the State may obtain personnel from the other contractors. In such cases, the State shall be the sole determinant of "inadequate availability or performance."
- 4. The State will request personnel as needed, in accordance with the provisions of the RFP. The Contractor agrees to make its best effort to provide personnel in the quantities requested by the State. The State will evaluate the qualifications of all individuals proposed, and will request resumes, references, and/or face-to-face interviews to aid in this evaluation. The State reserves the right, throughout the life of this Contract, to refuse, for whatever reason, any individual proposed by the Contractor for a given position.
- 5. The purpose of this Contract is to establish potential sources of supply for IT Professional Services personnel, but it in no way obligates the State to use any of the Contractor's personnel. Throughout the term of the Contract, the State retains full control and flexibility with regard to the types, quantities, and timing of personnel usage.
- 6. Personnel must meet the qualifications specified in the RFP and this Scope of Services. However, the State may waive any qualification related to the IT Professional Services skill sets, if it deems this to be necessary and in the State's best interest, in order to acquire uniquely skilled personnel. The State reserves the right to use the "OPEN" job classification only to fill positions that do not fit within the descriptions of any of the other thirty-six job classifications. As there is not a predetermined pricing limit for the "OPEN" classification, Contractor will submit best possible resumes and pricing when responding to an SOW for this classification.
- 7. Contractor personnel assigned to the State will be required to comply with all security procedures as set forth in agency (DIS) guidelines. Such procedures may include, without limitation, the following: background investigations, fingerprints, and other security measures, in accordance with Arkansas State and Federal Laws. (See Attachment J).
- 8. Personnel will serve as members of State project teams, and operate under State management, to provide the State with IT Professional Services. The specific roles and responsibilities of the personnel shall be as defined in the Contract, RFP, future Statements of Work ("SOWs"), and/or Memoranda of Understanding ("MOUs"); provided, however, that the State reserves the right to amend these roles and responsibilities, as needed, to others within the required IT skill sets, if this is deemed to be in the best interest of the State.
- 9. Included in this contract by reference are the following documents:
 - a. The Contract;
 - b. The RFP;
 - c. MOUs entered into by the parties during the term of this Contract, including the relevant SOWs;
 - d. The Contractor's Proposal.
 - e. The Project Offer

These documents are given the same force and effect as if herein set out in full text. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, the documents shall govern in order of precedence presented above.

B. PAYMENT TERMS AND CONDITIONS:

1. The Contractor shall be compensated based upon the maximum Unit Rates as follows:

	HOURLY RATES	
JOB CLASSIFICATION	YEAR 1	YEAR 2
Project Manager	\$XX.XX	\$XX.XX
Systems Analyst	\$XX.XX	\$XX.XX
Programmer Analyst (Mainframe)	\$XX.XX	\$XX.XX
Advanced Programmer Analyst (Mainframe)	\$XX.XX	\$XX.XX
Programmer Analyst (Client Server/Micro)	\$XX.XX	\$XX.XX
Advanced Programmer Analyst (Client Server/Micro)	\$XX.XX	\$XX.XX
Web Developer	\$XX.XX	\$XX.XX
Advanced Web Developer	\$XX.XX	\$XX.XX
Object Oriented Developer	\$XX.XX	\$XX.XX
Advanced Object Oriented Developer	\$XX.XX \$XX.XX	\$XX.XX
Network Administrator	\$XX.XX \$XX.XX	\$XX.XX
Advanced Network Administrator	\$XX.XX \$XX.XX	\$XX.XX
LAN System Programmer		
· · ·	\$XX.XX	\$XX.XX
Advanced LAN System Programmer	\$XX.XX	\$XX.XX
MVS System Programmer	\$XX.XX	\$XX.XX
Advanced MVS System Programmer	\$XX.XX	\$XX.XX
UNIX System Programmer	\$XX.XX	\$XX.XX
Advanced UNIX System Programmer	\$XX.XX	\$XX.XX
Database Administrator	\$XX.XX	\$XX.XX
Data Analyst/Administrator	\$XX.XX	\$XX.XX
Quality Assurance Inspector/Analyst	\$XX.XX	\$XX.XX
Component Librarian	\$XX.XX	\$XX.XX
Change Management Specialist	\$XX.XX	\$XX.XX
Mainframe Operations Specialist	\$XX.XX	\$XX.XX
ABAP Programmer/Developer	\$XX.XX	\$XX.XX
Basis Administrator	\$XX.XX	\$XX.XX
mySAP.com Application Consultant	\$XX.XX	\$XX.XX
R/3 Application Consultant	\$XX.XX	\$XX.XX
R/3 Workflow Consultant	\$XX.XX	\$XX.XX
SAP Technical Consultant \$XX.XX	X \$XX.XX	ζ.
SAP Training Specialist	\$XX.XX	\$XX.XX
SAP Tester	\$XX.XX	\$XX.XX
BW Query Developer	\$XX.XX	\$XX.XX
BW Data Modeler/DBA	\$XX.XX	\$XX.XX
SAP BW Consultant	\$XX.XX	\$XX.XX
"OPEN"	\$OPEN	\$OPEN
Data Warehouse Business Architect	\$XX.XX	\$XX.XX
Data Warehouse Data Modeler	\$XX.XX	\$XX.XX
Data Warehouse Information Access Engineer	\$XX.XX	\$XX.XX
Data Warehouse Extract Transform and Load	\$XX.XX	\$XX.XX
Advanced Programmer Analyst		
Quality Manager	\$XX.XX	\$XX.XX
Quality Analyst/Engineer	\$XX.XX	\$XX.XX
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The Contractor will propose new Unit Rates as a part of its "Project Offer" response to each SOW; the Project Offer Unit Rates must be less than or equal to the above rates. The Unit Rates in effect for a given SOW/MOU shall be the lesser of the Master Contract Unit Rates, stated above, and the Project Offer Unit Rates

Unit Rates for Year 2 take effect on the anniversary of the Contract effective date given in Section C.

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- 2. The Unit Rates in Paragraph 1 of this Section shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, hours worked, materials or equipment required. The Unit Rates include, but are not limited to, all applicable taxes, fees, travel, overhead, profit and all other direct and indirect costs incurred or to be incurred, by the Contractor, except as noted in Paragraph B.4 below.
- 3. The Unit Rates in Paragraph 1 of this Section are firm for the duration of the Contract. In the event that the term of the Master Contract is extended, the State will execute a Contract amendment to adjust these rates for inflation based on the Consumer Price Index (CPI). The rates shall be adjusted in accordance with the CPI for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (the "Index") published by the Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C., or its successor index. In the event said Index ceases publication, the adjustment shall be determined by using the CPI for Urban Wage Earners and Clerical Workers (CPI-W) for the U.S. City Average for the same area coverage; or, if not available, then according to the Index most comparable to the Index for All Urban Consumers.

The Year 2 Hourly Rates, or relevant Project Offer rates, shall be used as the base. Adjustments to this base shall equal the percentage change determined from the Index for the year ending on December 31st of the year preceding the year of Contract termination, after comparing it to the Index ending on December 31st of the next preceding year. The amended Unit Rates shall take effect on the effective date of the amendment. Once adjusted, the new Unit Rates shall apply throughout the remaining term of the Master Contract, as extended.

Otherwise, the Unit Rates in Paragraph 1 of this Section are firm for the duration of this Contract and are not subject to escalation for any reason, unless amended.

- 4. With regard to Travel, the following provisions shall apply:
 - a. The "Official Station," which is defined as the location at which Contractor personnel shall perform the major portion of their duties, will be designated by the State in the SOW. In most cases this will be Little Rock, Arkansas.
 - b. Neither the Contractor, its personnel, nor its agents shall be eligible for reimbursements for any travel expenses related to work performed at the Official Station. This includes, but is not limited to, travel to and from the Official Station, and food and lodging therein.
 - c. In some cases, at the State's request and with prior written approval, Contractor personnel may be required to travel and work away from the Official Station. Such travel expenses shall be reimbursed in accordance with the State's current travel regulations as set forth in the State's Accounting Procedures Manual.
 - d. Compensation to the Contractor for State-authorized travel, meals and/or lodging shall be in the amount of actual costs, subject to maximum amounts and limitations specified in the State's current travel regulations as set forth in the State's Accounting Procedures Manual.
- 5. The Contractor shall submit all invoices, in form and substance acceptable to the State, with all of the necessary supporting documentation, prior to any reimbursement of allowable costs. Invoices shall be submitted to the individual named in the relevant MOU. Such invoices will, at a minimum, include the name of each Contractor individual, the individual's job title, the number of hours worked during the period, the Contract number, the hourly rate, indications of any yearly or CPI Unit Rate increases (B.1 and B.3 above) relevant to the billing period in question, the total compensation requested for the individual, and the total amount due the Contractor for the period invoiced. The years associated with the Unit Rates in Paragraph B.1 refer to the year in which the work was actually performed, and the Contractor shall bill accordingly. Invoices shall be submitted no more often than monthly.
- 6. The Payment of an invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein. Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with

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the terms of this contract, not to constitute allowable costs. Any payment shall be reduced for over-payments, or increased for under-payments on subsequent invoices.

- 7. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the parties any amounts which are or shall become due and payable to the State by the Contractor.
- 8. Normal State working hours are 8:00 a.m. to 4:30 p.m., Monday through Friday, with overtime work (paid at regular pay rate) performed as necessary to meet implementation deadlines. Contractor staff schedules will be adjusted to provide for a forty (40) hour regular work week. The Contractor shall observe the same standard holidays as State employees: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, and Christmas Eve and Christmas Day; approximately ten (10) total days.
- 9. If a contract individual is assigned to a State project or support area and the technology associated with their assignment changes, the Contractor is responsible for training in the new or changed technology. This responsibility includes all fees associated with the actual training course and also the hours the individual spends in training.

C. TERM:

- 1. This Contract shall be effective for a period of two (2) years, commencing on July 01, 2003 and shall end on June 30, 2005. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- 2. The State reserves the right to extend this Contract for an additional period of one (1) year, provided the State notifies the Contractor, by letter, of its intention to do so at least ninety (90) days prior to the Contract expiration date.

D. STANDARD TERMS AND CONDITIONS:

- 1. The State is not bound by this Contract until it is approved by the appropriate State officials as indicated on the signature page of this Contract.
- 2. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
- 3. The State may terminate the Contract by giving the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive equitable compensation for satisfactory authorized services completed as of termination date.
- 4. If the Contractor fails to properly perform its obligations under this Contract or violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- 5. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, Paragraphs D.6 and D.8 of this Contract.
- 6. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Arkansas as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- 7. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the

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State. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- 8. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal and/or Arkansas State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of the Contract or in the employment practices of the Contractor. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notices of non-discrimination.
- 9. IT IS THE POLICY OF THE STATE OF ARKANSAS THAT MINORITY BUSINESS ENTERPRISES SHALL HAVE THE MAXIMUM OPPORTUNITY TO PARTICIPATE IN THE PURCHASING PROCESS. THEREFORE, THE STATE OF ARKANSAS ENCOURAGES ALL MINORITY BUSINESS ENTERPRISES TO COMPETE FOR, WIN AND RECEIVE CONTRACTS FOR GOODS, SERVICES AND CONSTRUCTION. ALSO, THE STATE OF ARKANSAS ENCOURAGES ALL COMPANIES TO SUBCONTRACT PORTIONS OF ANY STATE CONTRACT TO MINORITY BUSINESS ENTERPRISES.
- 10. Contractors will be required, in accordance with Arkansas State Law, to sign a disclosure form.
- 11. The Contractor, being an independent Contractor, agrees to carry adequate public liability and other appropriate forms of insurance.
- 12. The Contractor agrees to pay all taxes incurred in performance of Contract.
- 13. The State shall have no liability except as specifically provided in the Contract.
- 14. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of the Contract.
- 15. The Contract shall be governed by laws of the State of Arkansas.

E. SPECIAL TERMS AND CONDITIONS:

- 1. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall prevail.
- 2. The State will have all ownership right, title and interest, including ownership of copyright, in all materials, including application software or modifications thereof and associated documentation, created, designed, and/or developed for the State under this Contract (known collectively as "Work Products"). The State shall have unlimited rights to use, disclose, duplicate, or publish for any purpose whatsoever, all Work Products furnished by the Contractor under or resulting from this Contract. The Contractor shall furnish the Work Products upon request of the State, in accordance with applicable State law.

3. Additional Termination Provisions.

- a. The State may terminate any or all of the MOUs entered into by the State and the Contractor pursuant to this Contract prior to the MOU Termination Date by giving the Contractor at least ten (10) calendar days' written notice. The Contractor shall be entitled to receive equitable compensation for satisfactory authorized services completed as of the termination date.
- b. If the Contractor fails to properly perform its obligations under any MOU entered into by the State and the Contractor pursuant to this Contract, or violates any of the terms of this Contract, the State shall have the right to immediately terminate any or all of the Contractor's MOUs, and to withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

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c. Inability to Provide Specific Job Classifications:

The success of this multiple-source procurement mechanism depends upon the Contractors participating to the fullest of their abilities. Therefore, all Contractors are expected to respond to every SOW, and to provide resumes for every Job Classification requested therein. The State recognizes that there may be occasions when the Contractor may not be able to provide one or more of the requested Job Classifications. In this case, the following provisions apply:

- 1. Failure of the Contractor to respond with one or more resumes to five (5) SOWs-measured in total, over the life of the Contract--shall be grounds for Contract termination.
- 2. Failure of the Contractor to respond to a particular Job Classification on three consecutive SOWs shall be grounds for Contract termination. Failure to provide acceptable resumes--from the standpoint of qualifications, not cost--shall also be deemed a failure to respond and shall fall under this paragraph.
- 3. In the event of Contract termination, nothing shall prevent the State from awarding a replacement contract to another Contractor that originally responded to this RFP.
- d. Upon termination, the Contractor shall transfer title to the STATE (to the extent that title has not already been transferred) and deliver in the manner, at the times, and to the extent directed by the State, all files, processing systems, data manuals, or other documentation, in any form, that relate to the work terminated by the notice of termination, and are otherwise specified in the Contract or RFP as deliverable items regardless of the status of completion.
- e. If, for any reason, the agreement(s) between the Contractor and any of its State-approved subcontractors is terminated during the term of this Contract, the Contractor shall have a maximum of thirty (30) calendar days from the subcontractor termination to find a replacement subcontractor acceptable to the State. At the end of this time period, the State may immediately cancel this Contract and withhold payments in excess of fair compensation for completed services.
- f. It is the Contractor's responsibility to ensure that all subcontracted personnel submitted to and working for the State have legal authority to work in the United States, have the consent of the subcontractor and his/her subcontracting company, and will comply with all provisions of this Contract.
- g. State termination of three (3) of the Contractor's employees--measured in total, over the life of the Contract--shall be grounds for Contract termination.
- h. In all cases of termination, the State is free to enter into a Contract with the next-best-evaluated responsive Proposer to the RFP.
- 4. Notice to either party may be given by certified mail properly addressed, postage fully prepaid to the address beneath the name of each respective party below. Such notice shall be effective when received as indicated by post office records. Alternatively, notice may be given by personal delivery by any means whatsoever to the party at the address designated during normal business hours or via email.

For the above purposes, State and Contractor's names and addresses are respectively:

STATE CONTACT INFORMATION

CONTRACTOR NAME/ADDRESS

Alana Wolfe One Capitol Mall/PO Box 3155 Little Rock, AR 72203 Telephone: (501) 682-9666

5. This contract shall be governed by the Laws of the State of Arkansas as interpreted by the Attorney General of the State of Arkansas.

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- 6. The Contractor agrees to indemnify and hold harmless the State as well as its officers, agents and employees from all claims, losses, costs (including attorneys' fees), and/or suits accruing or resulting to any person, firm, corporation or other entity which may be injured or damaged as a result of acts or omissions of Contractor relating to the Contract. The State shall give Contractor written notice of each such claim or suit and full right and opportunity to conduct Contractor's own defense.
- 7. The Contractor shall maintain the confidentiality of records and reports generated pursuant to this Contract in accordance with the law and established professional ethical standards.
- 8. The Contractor's obligations under Section E.7 do not apply to information: in the public domain; entering the public domain, but not from a breach by Contractor of this Agreement; possessed by Contractor without written obligation to the State to protect it; acquired by Contractor, without written restrictions against disclosure, from a third party which, to Contractor's knowledge, is not required not to disclose the information; independently developed by Contractor without use of the State's information; disclosed by the State without nondisclosure restrictions comparable to the restrictions of this Contract.
- 9. This Contract is subject to appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date.
- 10. Each individual assigned to the State off a Contract resulting from this RFP will be evaluated on a regular basis. A sample evaluation form is included as Attachment I.
 - a. The **first** evaluation will occur by the **end of the tenth working day**. If performance at that time is deemed to be unacceptable, the individual will be terminated and the State will **not** pay for the hours worked. The State will notify the Contractor of this action in writing (via mail, fax, email, or other electronic means sent by an authorized State Contact). In this event, the State will not be liable to the Contractor for any costs or damages--including, but not limited to, Hourly Unit Rate payments, travel expenses, relocation fees, etc.--related to that individual's assignment at the State. The State will provide such notification to the Contractor no later than the end of the tenth day of the individual's assignment.
 - b. **Subsequent** evaluations may, but are not limited to occur prior to the extension of any Memorandum of Understanding.
 - d. The State shall be the sole judge of the Contractor's personnel performance. The Contractor agrees to remove, at the Contractor's expense, personnel judged by the State as not making substantial contributions to the projects to which Contractor's personnel are assigned. The Contractor agrees not to charge the State for services performed which the State designates as being unacceptable. The Contractor further agrees not to remove or transfer personnel performing acceptably, without written approval (30 day notice) of the State during the term of the Contract.
 - e. In the event that Contractor personnel are terminated for any reason at any time whether by the State or by the Contractor, the State may replace the terminated individual(s) with any of the original candidates submitted in response to the SOW in question. The State also reserves the right to re-release the SOW to replace the Contractor personnel.
 - 11. The Contractor agrees to sign or otherwise maintain attendance and leave documents to verify the number of hours worked.
 - 12. Contractor personnel shall be required to submit weekly timesheets to the Project Manager.
 - 13. The Contractor shall refrain from soliciting contractor staff from other companies who are presently assigned to State projects. Under no circumstances will the State accept contractor staff movement between companies while they are engaged in State assignments.

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- 14. The Contractor shall refrain from soliciting State employees for purpose of employment. The State reserves the right to offer employment to Contractor personnel which have been assigned to the State for six (6) or more months. Contractor may not discourage, penalize, or prohibit Contractor personnel (and/or Subcontractor personnel) from applying and/or accepting employment with the State. It is the Contractor's responsibility to ensure subcontractors are aware of and comply with this provision as well as all other provisions set forth in this RFP.
- 15. If the Contractor, through any of its employees provided under this contract, is involved in assisting the State in the development, formulation, and/or drafting of an RFP for the State, it cannot submit proposals in response to that RFP.
- 16. The Contractor represents itself to be an independent Contractor offering the services described herein to the general public and shall not represent itself or its employees to be employees of the State of Arkansas. Therefore, the Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold the State and its employees harmless from and against any and all loss; cost (including attorneys' fees); and damage of any kind related to such matters.
- 16. The Contractor shall be responsible for the correct use and protection of all equipment furnished by the State under this Contract. Upon termination of the Contract, all equipment furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the equipment be destroyed, lost or stolen, the Contractor shall be responsible to the State for the residual value of the equipment at the time of loss.
- 17. For all Statements of Work in which the Contractor's employees are involved with the modification of State of Arkansas programs, the State shall obtain and provide to the Contractor all required consents, necessary for the Contractor to access, use and/or modify software, hardware, firmware and other products used by the State for which the Contractor shall provide services hereunder. A required consent means any consents or approvals required to give Contractor and its subcontractors the right of license to access, use and/or modify the State's or a third party's software, hardware, firmware and other products used by the customer without infringing the ownership or license rights of the providers or owners of such products.
- 18. Neither party will be liable for any delay or failure to perform its obligations under this Agreement to the extent that such delay or failure is caused by a force or event beyond the control of such parties and could not be avoided by exercise of due care, including without limitation, war, embargoes, strikes, governmental restriction, riots, fires, floods, earthquakes, or other Acts of God.
- 19. Contractor will not be responsible for any special, incidental, or consequential damages, including without limitation loss of profits, even if informed of the possibility thereof in advance.
- 20. CONTRACTOR DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES ON ITS SERVICES OR WORK PRODUCT PROVIDED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 21. Contractor's services shall be considered accepted by the State upon receipt of payment for such services.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have set their signatures below.

By: _____ DATE: _____ Title: _____

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CONTRACTOR COMPANY NAME

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CONTRACTOR SIGNATORY, TITLE

DEPARTMENT OF INFORMATION SYSTEMS	
Ву:	DATE:
Title:	